

Greater Manchester 2013-20 Strategy
(http://www.agma.gov.uk/gmca/gms_2013/index.html):
Response from Cheshire East Council

Opening statement: the significance of Cheshire East to the Greater Manchester Strategy

As a Greater Manchester Combined Authority/ AGMA document, the Strategy rightly focuses on the administrative area of Greater Manchester. However, we feel it is important to acknowledge Greater Manchester's geographical neighbours, their relevance to the Strategy and the contributions they can make towards realising the Strategy's aspirations. (We note that the Strategy currently makes no reference to "Cheshire" or "Cheshire East", to the other two Cheshire & Warrington authorities, or to Merseyside or Lancashire.)

Of all these neighbours, Cheshire East has particularly strong economic links with Greater Manchester. For example, Census data show that, in 2001, 23,800 of Greater Manchester's inward commuters came from Cheshire East – almost double the number travelling into Greater Manchester from any other unitary or district authority in the North West. The data also indicate that Cheshire East supplied 7,200 of Greater Manchester's professional and managerial workers – more than Oldham, Rochdale, Salford, Tameside or Wigan.

Housing market linkages are similarly strong: of all the net migration flows between Cheshire East and other local authorities during 2000-2008, the three largest involved Stockport (a net inflow into Cheshire East of more than 4,500 migrants), Manchester (over 1,500) and Trafford (1,500).

Cheshire East therefore has a key role to play in improving Greater Manchester's economic prosperity and social wellbeing. However, the relationship is not one way and we feel the Strategy should recognise this: it is not simply a case of Cheshire East providing good quality housing for professional and managerial people working in Greater Manchester. For example, Greater Manchester's outward commuters are more likely to travel to Cheshire East (16,600 did in 2001) than to any other unitary or district authority in the region. Hence Greater Manchester is an important factor in Cheshire East's current and future economic success.

In addition, Cheshire East and Greater Manchester share strengths in particular industries and sectors. For example, the 2009 Manchester Independent Economic Review highlighted the growth of creative, digital and media sector businesses and employment around Manchester, Trafford, Stockport and the former Macclesfield District area.

HE, research and advanced scientific activities are another important bond between Greater Manchester and Cheshire East. Jodrell Bank's Centre for Astrophysics has sites in both central Manchester and Cheshire East. Waters Corporation – currently building its new global mass spectrometry HQ in Wilmslow - has collaborated closely with the University of Manchester (and formerly UMIST) over the last four decades. Another of Greater Manchester's universities, MMU, has a campus in Crewe.

Given these strong demographic and socioeconomic connections, there is a clear need to improve transport links between Cheshire East and Greater Manchester, so that both areas can make best use of their residents' skills and their businesses' industrial strengths, and so they can support each other's economies more effectively.

Making best use of scarce resources

As the 2013-20 Strategy recognises, there are limits on public sector organisations' budgets, and future spending cuts will constrain services further. We welcome Greater Manchester's proposal to mitigate the impact of these financial constraints through initiatives to help residents into work, improve their skills, reduce unplanned admissions to hospitals and so on.

These financial constraints – together with the finite nature of other resources, such as housing and employment land – also place a limit on the support that Greater Manchester public sector partners can offer to businesses and investors. A further constraint is the need to consider the interests of local residents, community groups and visitors, as well as those of businesses and investors: in some cases, these interests may coincide, but in others they will conflict.

These constraints need to be acknowledged explicitly, so that businesses and investors have a clear understanding of what Greater Manchester partners can offer - and we feel that some of the Strategy's statements about business and investor support should be reworded accordingly. One example is the statement on page 13 that "To be competitive, Greater Manchester must ensure that land is available in locations that are attractive to the market. Failure to provide appropriate sites in areas where the market wants to invest, both in housing and employment uses, risks GM losing development and investment to other areas."

More generally, both the public and private sectors need to make best use of scarce resources – and in doing so, they can help to achieve the greater competitiveness that page 13 also (rightly) aspires to.

Economic and social linkages with Cheshire East and other neighbours

As noted in our opening statement, the Strategy would benefit from greater recognition of the role that adjacent areas, particularly Cheshire East, can play in strengthening Greater Manchester's economy and in improving the social wellbeing of the people who live in Greater Manchester and neighbouring areas. Similarly, it should recognise the role that Greater Manchester can play in strengthening the economies and social wellbeing of Cheshire East and other neighbours.

Cheshire East is a popular residential location of choice for many of those who work in Greater Manchester (and vice-versa). Many northern parts of Cheshire East function as part of the same labour market and as part of the same sub-regional economy as parts of Greater Manchester. For example, Census data show that, in 2001, 23,800 of Greater Manchester's inward commuters were Cheshire East residents: this was almost double the number travelling into Greater Manchester from any other North West district or unitary authority (Warrington accounted for the next largest inflow: 12,800). Of those people who worked in Greater Manchester and

were in one of the two highest NS-SeC categories (“Large employers and higher managerial occupations” and “Higher professional occupations”), 7,200 lived in Cheshire East: on this measure, Cheshire East is the region’s sixth largest contributor to Greater Manchester’s high-skill employment (after Bolton, Bury, Manchester, Stockport and Trafford).

Besides this, the Census data showed that, as of 2001, Greater Manchester’s outward commuters were more likely to work in Cheshire East (16,600 did) than in any other North West district or unitary authority.¹

Housing market linkages are similarly strong: of all the net migration flows between Cheshire East and other local authorities during 2000-2008, the three largest were to Stockport (a net inflow into Cheshire East of more than 4,500 migrants), Manchester (net inflow of over 1,500) and Trafford (net inflow of 1,500).² The 2010 Cheshire East Strategic Housing Market Assessment (SHMA)³ provides even more recent evidence of these links: it found that, of those households that had moved into Cheshire East during the previous five years, 30% had relocated from Greater Manchester. For Cheshire East’s northern towns, these housing market linkages are particularly strong: for example, of all those Disley households that had moved during 2005-10, 44% had come from Greater Manchester. Even in towns that are further south, such as Macclesfield and Middlewich, in-migration from Greater Manchester accounts for about one in ten recent (2005-10) home moves.

Cheshire East and Greater Manchester share strengths in particular industries and sectors – and it is likely that these involve some significant supply chain linkages. For example, the 2009 Manchester Independent Economic Review (MIER) noted that knowledge-intensive employment is relatively concentrated (and growing) in both the southern part of Greater Manchester and in Warrington/ North Cheshire, with knowledge-intensive manufacturing employment being particularly strong in Macclesfield and its neighbour Stockport (as well as Oldham and Tameside). The MIER also highlighted the growth of creative, digital and media sector businesses and employment around Manchester, Trafford, Stockport and the former Macclesfield district.

HE, research and advanced scientific activities are another important bond between Greater Manchester and Cheshire East. Jodrell Bank is part of University of Manchester and its Centre for Astrophysics has sites in both Cheshire East (the Jodrell Bank Observatory) and central Manchester. Waters Corporation – currently building its new global mass spectrometry HQ in Wilmslow - has collaborated closely with the University of Manchester (and formerly UMIST) over the last four decades. Another of Greater Manchester’s universities, MMU, has a campus in Crewe.

Consequently, there are particular opportunities for Greater Manchester in Cheshire East: for example, providing employment land in locations that will benefit Greater Manchester’s economy and its residents, and in creating places where people want to live by delivering high quality housing. Similarly, Greater Manchester can provide

¹ Source for all the commuting flows statistics quoted above: 2001 Census. ONS Crown Copyright.

² Source: ONS National Health Service Central Register Migration data for July 2000 to June 2008 (reported in the Cheshire East 2010 SHMA, September 2010).

³ Cheshire East 2010 SHMA, September 2010.

employment and housing land in locations that benefit Cheshire East residents who work in Greater Manchester, as well as those Greater Manchester residents who work in Cheshire East.

Given these strong socioeconomic connections, there is a clear need to improve transport links between Cheshire East and Greater Manchester, so that both areas can support and improve each other's economies and their residents' well-being more effectively. In particular, there are benefits in looking outside of the Greater Manchester administrative boundary when developing transport schemes – and the Strategy should recognise this. For example, cross-boundary public transport smart-ticketing would enable Cheshire East residents to access the Greater Manchester jobs market more easily; conversely, it would assist the large numbers of Greater Manchester residents who have found work in Cheshire East.

Increasing the focus on climate change

We welcome the Strategy's frequent references to the low carbon economy, and to the opportunities that the low carbon sector presents. We agree that the low carbon sector has a key role to play in stimulating economic growth. We also welcome the aspiration on page 9 that "We will be known for...our low carbon economy and our commitment to sustainable development."

However, there are fewer references to climate change per se: we feel that these references need to be strengthened, by emphasising the relationship between economic growth, the low carbon sector and climate change. In particular, we believe the Strategy should explicitly acknowledge the relationship between economic growth and climate change, and the challenge of ensuring that the scale and nature of economic growth does not compromise climate change targets. We feel it should also acknowledge the role of the low carbon sector in helping to slow the rate of climate change: the current wording alludes to this role, but it should be stated explicitly.

The Strategy needs to add qualifications to statements such as those on page 13 (quoted earlier), so it is clear how businesses, investors and the economic prosperity can be supported without jeopardising the page 9 aspirations or climate change objectives.

We also feel that some of the current references to climate change focus on adaptation to climate change, rather than on slowing down climate change. For example, page 7 refers to the "failure to adapt" and to "the extreme weather events that are now unavoidable". It is right to acknowledge that some climate change has occurred and that some future change will occur (as page 7 does), but we think the Strategy should also highlight the fact that there is much that can be done to slow the pace of change.

We welcome the inclusion of a carbon emissions target (first bullet point on page 22, which is referred to again in the performance measures on page 36). However, given that the base year for this target is far in the past (1990), the Strategy needs to include information on progress to date towards this target. Without this information, it is difficult to assess the scale of the challenge Greater Manchester faces in achieving its target, or the likelihood that it can. (Page 36 does, of course, refer to an

aspiration that, by 2020, Greater Manchester will have “doubled the rate of reduction of [its] carbon emissions so that annual direct emissions are less than 11,000kt of CO₂”, but it is not possible to infer what current emissions levels are from this information alone.)

Key export markets

The BRICS (Brazil, Russia, India, China, South Africa) are large and growing economies, with China particularly renowned for its fast economic growth rate. Given this, it is clear why some of the BRICS, along with other large economies that are already major trading partners for the UK (the US and Europe) are identified as priority markets for Greater Manchester’s exporters (page 21 of the Strategy). But the rationale for including the United Arab Emirates (UAE) is less clear.

It is likely that any trade with the UAE will pose greater risks than trade with larger economies such as the BRICS. In particular, the smaller an export market is, the fewer the numbers of exporters, importers and industries that are likely to be involved, and the greater the risk that the market will not generate the hoped-for export sales. For example, if Greater Manchester-UAE trade relies heavily on contracts with a single UAE client, a change in that client’s fortunes or its strategy could result in these contracts not being renewed.

In addition, if there are relatively few organisations and industries involved in the Greater Manchester-UAE trade, then there is likely to be more potential for such trade to be developed by the industries or the individual companies concerned, rather than through public sector intervention.

Given this, we believe that the Strategy should justify its identification of the UAE as a priority market.

Performance targets

It is difficult to comment on the feasibility of the performance targets (page 36) because of the absence in many (but not all) cases of base year figures, past trends and data for the geographical area that the Strategy target seeks to match or overtake (and, more generally, the lack of information about the methodology used for setting the targets).

For example, it is difficult to comment on the feasibility of the Greater Manchester FTE jobs share target (4.3%) without knowing what the current share is. Similarly, it is difficult to judge what chance Greater Manchester has of matching SE England’s growth rate without knowing what the base year SE England rate is (and what time period it has been averaged over). Likewise, it is not stated how big the Level 2 qualifications gap between Greater Manchester and the UK is at present, so it is hard to assess how difficult it might be to close that gap by 2020. With median salary levels, there is clearly an assumption that UK earnings will increase (which is reasonable enough), but it is difficult to assess the target without knowing what this assumed UK growth is. Another target is for 35% of all peak-time journeys to avoid using private cars, but we cannot assess the scale of this task without knowing what the base year percentage share is. It would be useful if the Strategy included these missing details.

As implied by our comments on the climate change, we feel that base year figures (or figures showing progress to date) should be quoted for a recent year, so that it is clear what the scale of the challenge is. The Strategy should also make it clear what the base year is for each measure: i.e. it should include base year dates, not just base year statistics.

Two other (minor) points on the performance targets:

- It looks like “number of children” (the “early years” target) should be “% of children”.
- We think “accelerated” (the opening word in the business start-up/ survival target text) should say “increased”.

Updating key statistics

We appreciate that there is a limit on how frequently Greater Manchester can or should update the statistics quoted in the Strategy. However, it is worth updating the 2012 and 2013 GDP figures (last paragraph of page 3) in the wake of the 2013 Budget (Office for Budget Responsibility) forecasts and the Office for National Statistics’ latest GDP estimates (http://www.ons.gov.uk/ons/dcp171778_309646.pdf), given that the ONS GDP figures now suggest 0.3% growth (not 0.1% contraction) in 2012.